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BAUCUS HAILS FINAL PASSAGE OF CHILDREN'S HEALTH BILL

Finance Chairman led Senate passage of Children's Health Insurance Program expansion, looks forward to swift signature into law by President Obama

Washington, DC – Finance Committee Chairman Max Baucus (D-Mont.) today applauded the strong House vote approving Senate legislation to renew and expand the Children's Health Insurance Program (CHIP), which provides health insurance for children living in families not poor enough for Medicaid, but still unable to afford private health insurance. In January, Baucus wrote and championed Senate passage of the \$32.8 billion legislation to preserve coverage for as many as 6.7 million children enrolled in the Children's Health Insurance Program and will bring new health coverage to 4.1 million additional low-income, uninsured American children. President Barack Obama is expected to swiftly sign this Children's Health Insurance Program bill into law.

"The Children's Health Insurance Program works to get kids the doctor's visits and medicines they need to stay healthy. I'm proud to have worked long and hard, together with Democrats and Republicans, to write a good bill renewing and expanding CHIP to cover more uninsured kids in need. I can't wait to see President Obama sign this bill into law," said Baucus.

The legislation approved by the House of Representatives today originated in the Senate Finance Committee, and was passed by the full Senate on January 29, 2009. That bill, The Children's Health Insurance Reauthorization Act of 2009, is nearly identical to 2007 legislation written by Baucus and Sens. Chuck Grassley (R-Iowa), Jay Rockefeller (D-W.Va.), and Orrin Hatch (R-Utah). The 2007 legislation was approved overwhelmingly by both the Senate and the House, but vetoed twice by President George W. Bush.

In addition to the preservation of health coverage for 6.7 million children and new coverage for 4.1 million more, the key elements of the final Children's Health Insurance Program bill include:

- State allotment formula improved to reflect actual projected spending in CHIP
- Funding for outreach and enrollment efforts
- Bonus payments to states for enrolling the lowest-income children in Medicaid
- Contingency fund to protect states from shortfalls in unforeseen emergencies, and to provide bonus funding for enrollment of lowest-income children for health coverage
- Coverage for children in families above 300 percent of Federal poverty level will receive Medicaid match rate, rather than higher CHIP funding

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- States can use information from nutrition assistance programs and other initiatives for low-income families to find and enroll eligible children
- Improved premium assistance policies
- Options to cover pregnant women for the prenatal care vital to healthy newborn children
- Funds for existing coverage of low-income parents will transition to lower Federal matching rate
- Childless adults will be moved out of CHIP
- A prohibition on additional adult coverage in CHIP
- Improved pediatric quality measures for CHIP and Medicaid

New elements in 2009 include:

- Funding of \$32.8 billion above the baseline
- Reauthorization for a period of four and a half years, through September 2013, to harmonizes CHIP authorization with the Federal fiscal year
- An option for states to offer CHIP and Medicaid coverage to legal immigrant children who have been in the U.S. for fewer than five years, and to offer prenatal care to legal immigrant women who are pregnant and have been in the U.S. fewer than five years.

Congress decided at CHIP's creation in 1997 that taxes on tobacco products were an appropriate offset for a program intended to improve the health of low-income children across the country. The legislation that President Obama will sign funds investment in the Children's Health Insurance Program with an increase in Federal tax on cigarettes, with proportional increases for other tobacco products.

Additional provisions will provide additional outreach funds for Native American children, streamline the Medicaid enrollment process for children living in poverty, and give states the option of documenting an applicant's citizenship at application or following up by confirming through the applicant's Social Security number.

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